DON FYDP Improvement

PPBS Business Process Review

DON PPBS Performance Improvement Draft Recommendations

1 Mar 02

KPMG Consulting

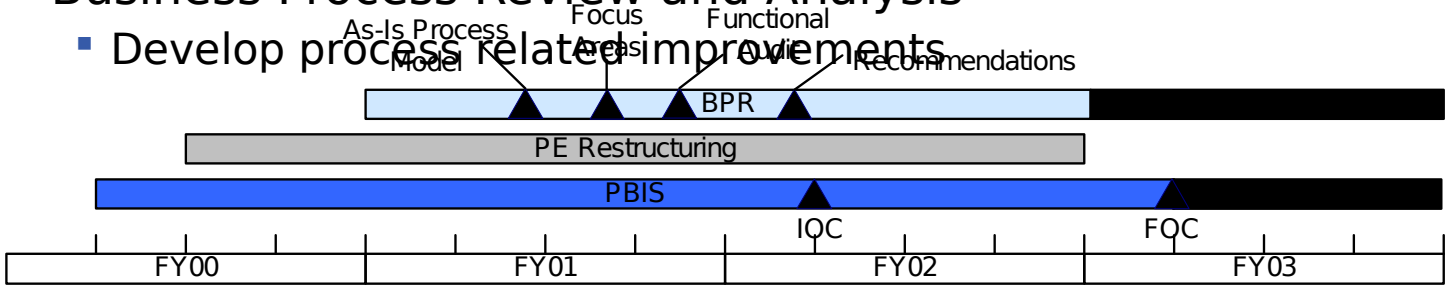
Outline

- FYDP Improvement Project Background
- PPBS Business Process Review Overview
- PPBS Performance Improvement Recommendations
- Next Steps

Background

- FYDP Improvement Project
  - OSD (PA&E) directed 3 yr service level project to examine PPBS and recommend constructive changes to improve decision making, reduce workload, improve data management & leverage information technology

  - DON FYDP Improvement comprised of 3 initiatives:
    - PBIS (Programming and Budgeting Information System) development
      - Replace WINPAT (programming) and NBTS (budgeting) systems
    - PE (Program Element) Restructuring
      - Better align PEs with Budget Line Items
    - Business Process Review and Analysis
      - Develop process related improvements



Business Process Review Efforts

- PPBS As-Is process model development (Mar 01)
  - Based on IDEF0 process modeling methodology
    - Provides hierarchical view of sub-processes, inputs, outputs, mechanisms, and controls
  - Over 100 Subject Matter Experts (SMEs) contacted/ Over 50 working group meetings conducted
    - Resources Sponsors, Claimants, USMC, Secretariat, N80, N81, N82/FMB
- Identification of performance improvement opportunities / Focus Areas (May 01)
  - 40+ observations derived from model development, analysis and SME input
  - List of opportunities narrowed based on feasibility, importance and SES guidance
- Functional Audit of WINPAT and NBTS systems (Sep 01)
  - Detailed matrix of system functionality
  - Mapping of WINPAT and NBTS system interfaces
- Commercial industry Best Practice research (Nov 01)
  - Benchmarking Consortiums
  - Proprietary KPMG Consulting Finance Benchmark Study
  - Business periodicals / literature
- Performance improvement recommendations (Jan 02)

Performance Improvement Focus Areas

1. OSD/External PPBS Reporting
   - Time consuming; inconsistent sources
2. Information Sharing Across PPBS phases
   - Impediments to information sharing; stovepiped organizations
3. Audit Trails Within PPBS process
   - Localized information systems and processes
4. Data Comparison Across PPBS
   - Inability to track common data; PE – Line item disconnect
5. Performance Measurement
   - Strategy to Budget disconnects; GPRA implications
6. Manpower Programming and Budgeting
   - Information contained in multiple systems; manual data manipulation
7. Timing Disconnects
   - Process takes too long; 18 months from Planning to Budget

Recommendations Summary

1. Improve Communication Between Programming and Budgeting
2. Integrate DON POM & Budget Reviews
3. Eliminate POM FYDP Submission
4. Streamline Integrated Priority List (IPL), Component Commander Issue Paper (CCIP) & Sponsor Program Proposal Document (SPPD) process
5. Improve Budget Exhibit Collection
6. Automate FMB Analyst and Resource Sponsor Questions & Answers
7. Link Execution Data to Programming and Budgeting
8. Leverage Enterprise Resource Planning (ERP) at DON HQ
9. Automate PBIS Report Distribution
10. Link DON Strategic Goals to Budget Line Items
11. Improve Integration of Planning and Programming
12. Reduce Redundancies in Program Assessment

1 - Improve Communication Between Programming & Budgeting

- Problem:
  - Communication among BSOs, Program Managers, Resource Sponsors, N81, N80, and FMB is not well coordinated
- Proposed Solution:
  - Engage FMB & BSOs earlier in the POM development process
    - (i.e. solicit feedback on program executability & pricing)
  - Establish PBIS as the single, consolidated source of POM-Budget data
- Potential Benefits:
  - Focuses programmers more on programming, less on detailed pricing
  - Transitions perception of FMB from an adversary to an ally
  - Builds stronger programs that require less re-work at later stages

2 – Integrate DON POM & Budget Reviews

- Problem:
  - Multiple review forums for POM and Budget promote redundant issue reviews
- Proposed Solution:
  - Integrate senior leadership program/budget review forums into one series of reviews
    - Leverage complimentary capability of Programming & Budgeting staff functions
- Potential Benefits:
  - Promotes single, integrated perspective
  - Improves understanding of programmatic impacts of budget adjustments and vice-versa
  - Reduces time consumed by internal DoN review process

3 – Eliminate POM FYDP Submission

- Problem:
  - OSD directed concurrent submission of POM and BES renders POM FYDP update unnecessary
- Proposed Solution:
  - Reduce FYDP submission frequency to 2 times per year, in conjunction with the BES and President's Budget submission
- Potential Benefits:
  - Recognizes *single* POM – Budget data set with multiple products
  - Increases time available for development of the DON POM
    - Frees Programming phase to focus on building better programs, instead of producing potentially incomplete POM FYDP submission

4 – Streamline IPL, CCIP, & SPPD Process

- Problem:
  - IPL and CCIP data collection is inefficient
- Proposed Solution:
  - Develop web-based collection tool for submission and storing of IPLs, CCIPs, and SPPD responses
- Potential Benefits:
  - Enforces complete IPL & CCIP submissions via standardized templates
  - Reduces erroneous submissions
  - Allows easily accessible historical archives

5 – Improve Budget Exhibit Collection

- Problem:
  - Budget exhibit collection is not as efficient as possible
- Proposed Solution:
  - Develop a web-based collection tool linked to a backend database for BSOs to submit and store their exhibits and justification data
- Potential Benefits:
  - Standardizes submissions and reduces errors through data entry templates
  - Allows budget exhibit consolidation and summarization at various levels of detail
  - Produces ready-made reports for submissions to OSD and Congress
  - Could be further implemented for collection of additional POM-Budget data

6 – Automate FMB Analyst & Resource Sponsor Questions and Answers

- Problem:
  - Process of collecting responses to FMB and Resource Sponsor questions is not standardized
- Proposed Solution:
  - Develop web-based collection tool for submission and storing of responses to FMB and RS questions
- Potential Benefits:
  - Creates repository for submitting and reviewing questions
  - Enables different analysts to obtain information without repeating requests
  - Reduces response time

7 - Link Execution Data to Programming and Budgeting

- Problem:
  - The link between executed funds and their associated programs and budgets is difficult to determine in a timely and relevant manner
- Proposed Solution:
  - Develop & implement PBIS functionality for comparing execution data to budgeting and programming/planning data
- Potential Benefits:
  - Improves predictive accuracy of future programs and budgets through “closed loop” PPBS system

8 – Leverage Enterprise Resource Planning (ERP) at DON HQ level

- Problem:
  - Capability lacking within DON enterprise to effectively share PPBS data between HQ and field
- Proposed Solution:
  - Leverage ongoing claimant ERP efforts to provide HQ access to BSO PPBS data
    - Current ERP Initiatives: NAVAIR, NAVSEA, NAVSUP, SPAWAR
- Potential Benefits:
  - Automates roll-up and reporting of PPBS information to DON HQ
  - Provides common, definitive source of claimant PPBS data
  - Supports improved, accelerated decision making

9 – Automate PBIS Report Distribution

- Problem:
  - Resource Sponsors, BSOs, PEOs, and PMs are often not aware of the latest adjustments to their programs
- Proposed Solution:
  - Develop PBIS functionality that automates notification & report distribution
- Potential Benefits:
  - Improves ability of RSs, BSOs, PEOs, and PMs to track changes to their programs and respond to issues as they arise
  - Provides RSs, BSOs, PEOs, and PMs more time to develop responses to programmatic and budget related issues
  - Improves communication between FMB, RSs, BSOs, PEOs, and PMs

10 – Link DON Strategic Goals to Budget Line Items

- Problem:
  - DON Strategic goals could be better linked to budget line items
- Proposed Solution:
  - Develop methodology & capability for PBIS to capture a line item's relationship to DON strategic goals
- Potential Benefits:
  - Provides insight and feedback on how budget dollars support strategic goals
    - Information can be used to adjust budget or strategic goals as required
  - Contributes to meeting Government Performance and Results Act (GPRA) requirements

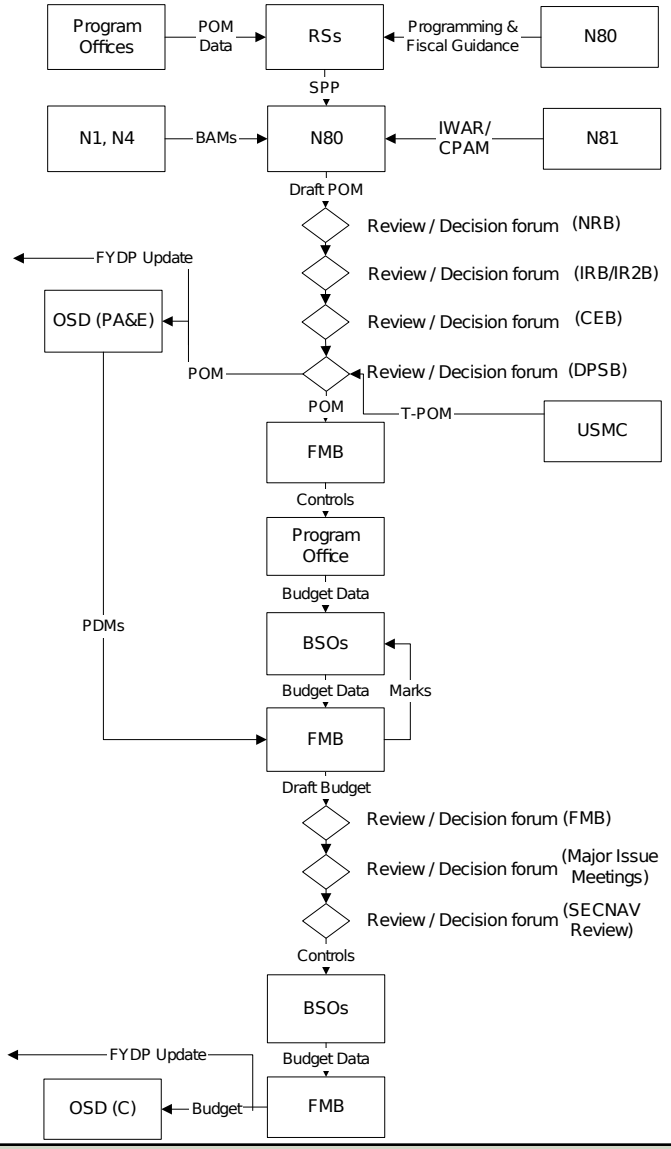
11 – Improve Integration of Planning and Programming

- Problem:
  - Planning efforts could be better linked to Programming and Budgeting phases
- Proposed Solution:
  - Expand PBIS functionality to link program and budget line items to IWARs and CPAM data
  - Ensure CPAM and BAMs are completed prior to issuance of Programming and Fiscal guidance
- Potential Benefits:
  - Creates tighter integration between Planning and Programming
  - Helps planning efforts and outputs play a more important role in shaping the DON POM

12 – Reduce Redundancies in Program Assessment

- Problem:
  - There is potential overlap in program assessment activities being performed in the IWAR, BAM and CPAM processes
- Proposed Solution:
  - Identify redundancies in IWAR, BAM and CPAM processes
    - Streamline to eliminate duplicative activities/output
- Potential Benefits:
  - Reduces workload required to perform program assessment
  - Reduces complexity of program assessment process
  - Focuses expertise in critical areas

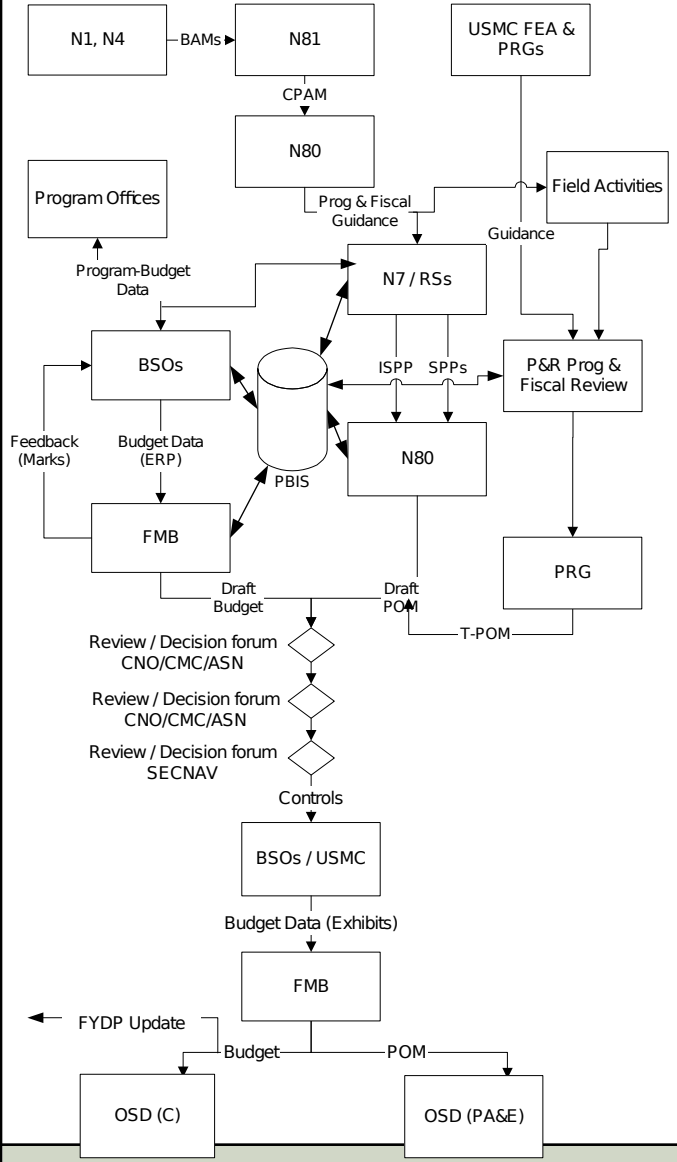
As-Was POM-Budget Process (POM 02)



Problems:

- Lack of Information Sharing
- Separate Databases for Programming and Budgeting
- Program Re-pricing
- Multiple Senior Level Reviews
- Multiple FYDP Updates
- Disconnected Planning and Programming Processes
- Timing Disconnects

Notional To-Be POM-Budget Process



Improvements:

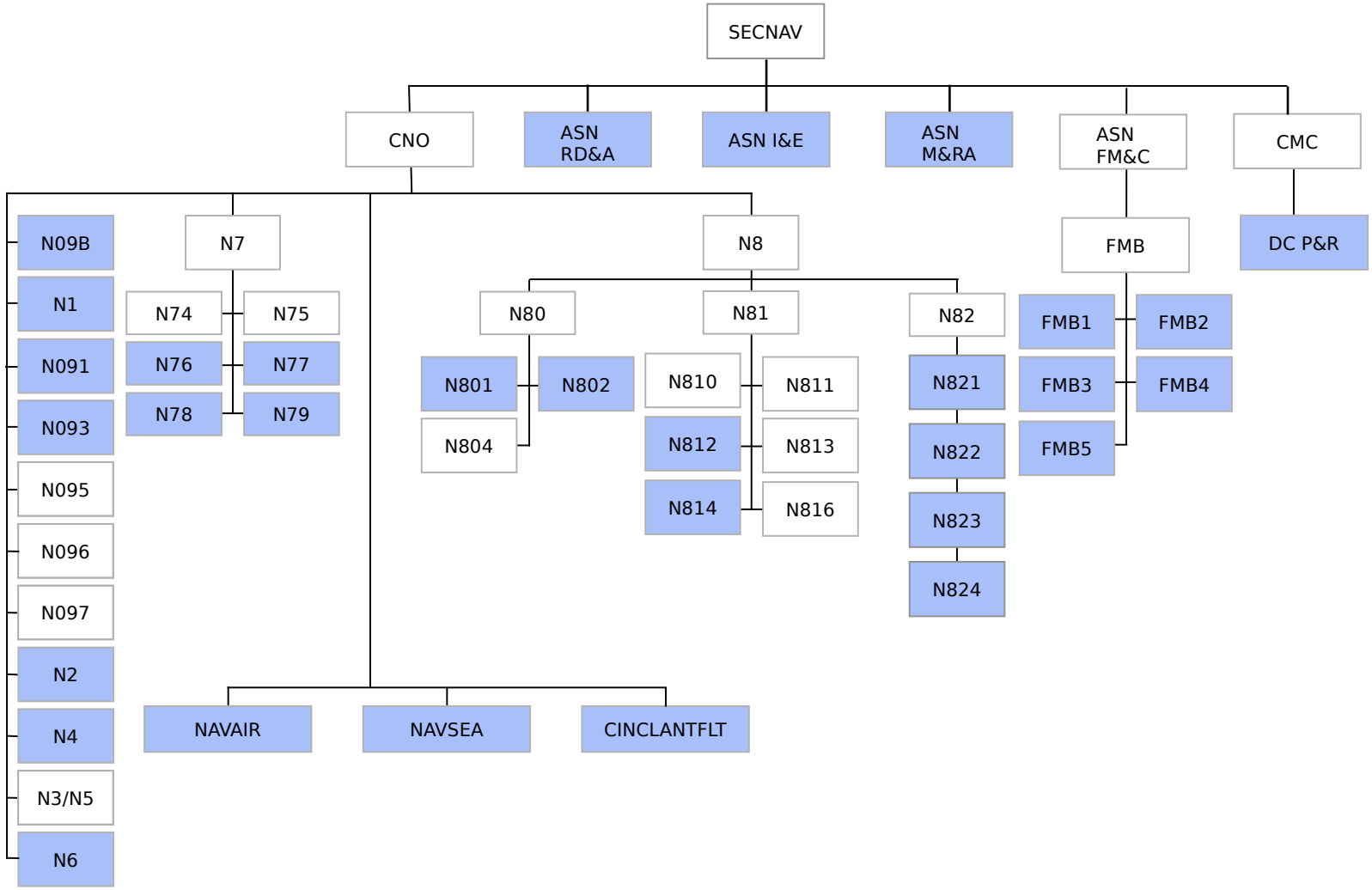
- Improved Information Sharing through PBIS
- PBIS is common database / single source of Program – Budget Data
  - Automated reports “pushed” to users
- Budget community involved early in the process to examine programs for executability, phasing, and pricing
- One set of consolidated POM-Budget Senior Management Reviews and Decisions Forums
- POM FYDP update eliminated
- Claimant ERPs leveraged to transact budget data between BSOs and FMB
- Improved integration of Planning activities & products with Programming

Next Steps

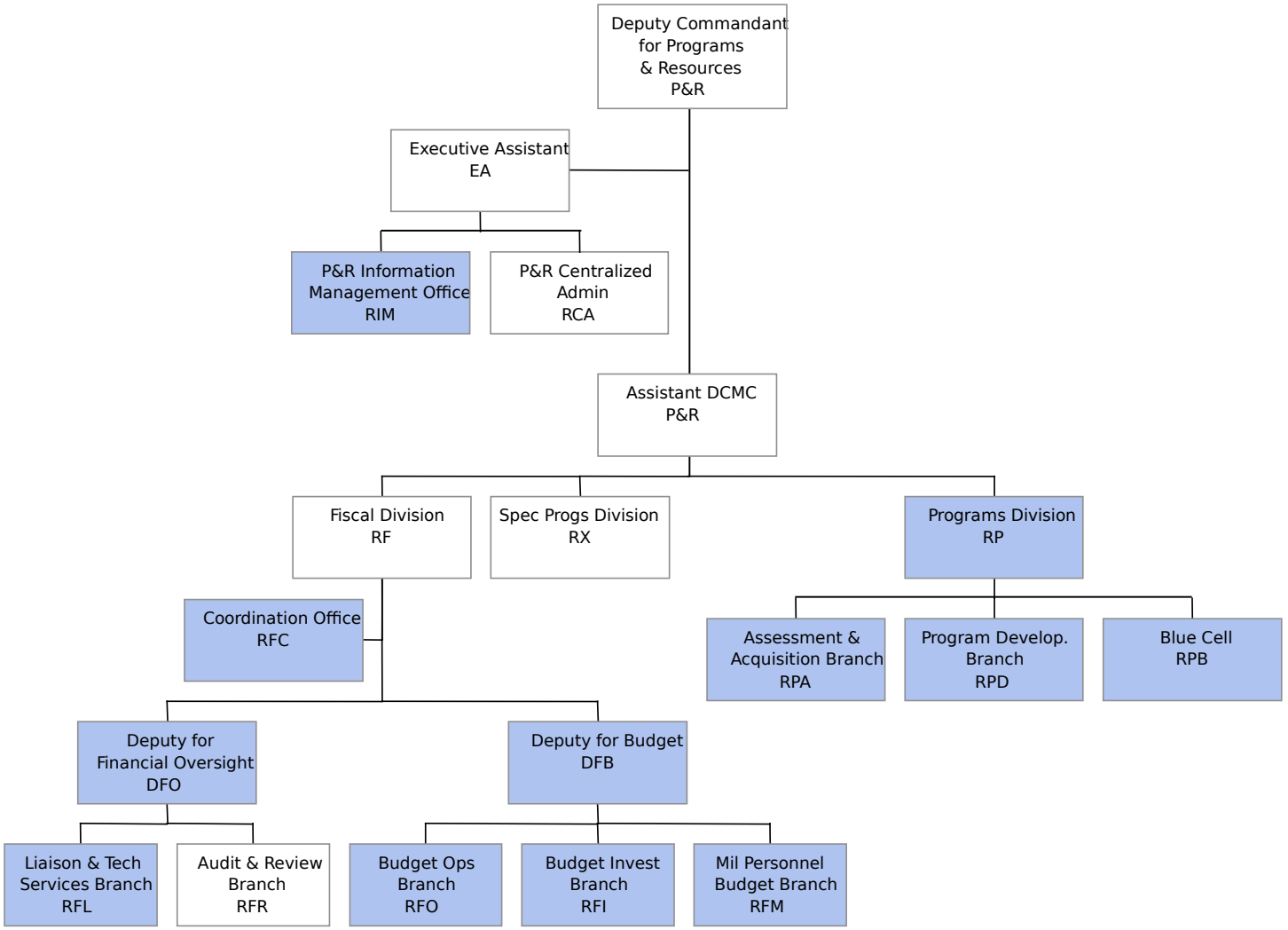
- Validate performance improvement recommendations
- Prioritize and select recommendation(s) for implementation
- Develop detailed implementation plans
- Obtain approval to implement
- Implement recommendation(s)

Backup

As-Is Scope (Who we've talked to)



As-Is Scope (USMC)


Deputy Commandant for Programs & Resources P&R
Executive Assistant EA
P&R Information Management Office RIM
P&R Centralized Admin RCA
Assistant DCMC P&R
Fiscal Division RF
Spec Progs Division RX
Programs Division RP
Coordination Office RFC
Assessment & Acquisition Branch RPA
Program Develop. Branch RPD
Blue Cell RPB
Deputy for Financial Oversight DFO
Deputy for Budget DFB
Liaison & Tech Services Branch RFL
Audit & Review Branch RFR
Budget Ops Branch RFO
Budget Invest Branch RFI
Mil Personnel Budget Branch RFM

As-Is Process Observations

- Business Process Review and Analysis resulted in:
  - 43 specific performance improvement observations
- Observations assessed by Importance and Feasibility
  - Observations plotted on an Importance / Feasibility Matrix
  - Result = 19 observations assessed as having relatively high Importance and Feasibility
- 19 Observations further refined down to 7 Focus Areas
  - Based on FYDP Improvement Project SES level steering committee review

Focus Area – Recommendation Matrix

Solution Name	Affected Focus Area						
	Info Sharing w/ OSD	Internal Info Sharing	Audit Trails	Data Comparison	Perf. Measure	Man power	Timing
1. Improve Prog - BudgetCommunication		√		√			√
2. Integrate POM & Budget Reviews							√
3. Eliminate POM FYDP Submit	√						
4. Streamline IPL, CCIP, & SPPD		√					
5. Improve Budget Exhibit Collection			√	√			
6. Automate Analyst Q&A		√					
7. Link Execution Data to Prog. and Budget		√	√	√	√		
8. Leverage ERP at DON HQ		√	√	√			
9. Automate PBIS Report Distribution		√					√
10. Link DON Strategic Goals to Budget		√			√		
11. Improve Integration of Planning and Programming		√			√		
12. Reduce Redundancies in Program Assessment		√					√

Performance Improvement Recommendations

- Performance improvement recommendations have been developed and proposed for addressing the seven focus areas
  - Individual recommendations cross multiple focus areas
    - Recommendation / Focus area relationship is provided at the bottom of each recommendation slide

- These recommendations originate from:
  - Analysis of the As-Is DON PPBS IDEF0 process model
  - Research of commercial best practices
  - Interviews and working groups with more than 100 Subject Matter Experts including OPNAV, SECNAV, USMC and claimant personnel

- Presentation format for recommendations (pgs 11-22):
  - Problem
  - Proposed Solution
  - Potential Benefits
    - Focus Area